BRITISH COLUMBIA
The Best Place on Earth

BCStats

# Infoline

*Contact:* bcstats.infoline@gov.bc.ca *Issue: 09-30* *July 31st, 2009*

- **Revenues at food services and drinking places dry up in May**
- **Eight out of ten British Columbians engaged in some form of gambling in 2008/09**
- **Imported beers growing in popularity**

## The Economy

- **Food services and drinking places in the province saw revenues stall (-0.2%, *seasonally adjusted*) in May, following a solid increase in April (+1.9%).** Canadian establishments remained stable (+0.5%) with revenues up most markedly at special food service (+1.8%) and full-service restaurant (+1.0%) establishments. Sales were up in five provinces, most notably in Alberta (+1.9%). Meanwhile, along with BC, all of the Atlantic provinces saw slower sales in May.

  *Data Source: Statistics Canada*

- **The number of regular employment insurance (EI) beneficiaries in the province jumped (+6.2%, *seasonally adjusted*) in May.** Nationally, the number surged 9.2%. There were far more beneficiaries in Alberta (+16.8%) and Ontario (+16.0%), where the manufacturing sector is struggling. The number of Canadians receiving regular benefits in May was the highest since at least 1997 (the first year for which comparable data is available). *Data Source: Statistics Canada*

## EI Coverage

- **In 2008, approximately 571,800 unemployed individuals who had contributed to the Employment Insurance (EI) program and had had a valid job separation were considered "potentially eligible" for regular employment insurance benefits.** These accounted for 52% of the 1.1 million unemployed Canadians. The remaining 48% of unemployed individuals were "not potentially eligible" for a variety of reasons, with the main reason being that they had not worked in the 12 months prior to unemployment.

  Last year, 88% of mothers who had insurable employment received benefits in the form of maternity or parental income during their pregnancy, or after the birth or adoption of their child. The proportion of Canadian fathers who took or intended to take parental leave increased to 28% in 2008, up a full percentage point from 2007 (27%). By comparison, in 2005, just 15% had claimed this type of leave. *Data Source: Statistics Canada*

## Gambling

- **In the 2008/2009 fiscal year, approximately 81% of British Columbians aged 19 or older played a lottery, 37% visited a BC casino and 9% visited a provincial commercial bingo hall or community gaming centre.**

  In terms of player characteristics, 50% were female and most (73%) were aged 35 or older. More than half (56%) were from households with annual incomes of $60,000 or greater, and well over two thirds (70%) had a post-secondary education.

  The British Columbia Lottery Corporation (BCLC) generated nearly $2.6 billion in revenue from the province's casinos, lotteries and bingo halls in 2008/09. From this revenue, just under $600 million was paid out to lottery and bingo winners, and a further $620 million went to commissions & service fees, taxes and other operating-related expenses. Of the remaining net income (just over $1 billion), most went to the provincial government, with more than half going into consolidated revenue

Report The State of Canada's Trade with the USA

Did you know...

Nine out of ten (92%) British Columbians think that cell phone use by drivers in BC is a serious road safety issue. *Source: BC Medical Association*

($658 million). Charitable & community organizations received $156 million.

BC is home to approximately 4,000 lottery retailers, 15 casinos, 13 bingo halls, 14 community gaming centres and two racecourse casinos. *Data Source: British Columbia Lottery Corporation*

## Liquor Sales

- **Imported beers are continuing to gain an increasingly strong foothold in the BC beer market.** During the twelve-month period ending in June, the BC Liquor Distribution Branch sold over 46 million litres of imported beer, an increase of 6.2% over the previous year. By comparison, domestic beer sales declined (-1.7%). Imported beer accounted for over 16% of total beer sales during the twelve-month period. In recent years, sales of imported beer have been rising steadily, while sales of domestic beer have shown more volatility.

  With nearly three quarters (73%) of the total market share, beer is by far the most popular product sold at liquor stores. Wine (15%), spirits (7%), and refreshments (6%) such as ciders and coolers account for smaller shares of the total volume sold. However, wine sales have been increasing. Overall, total sales in litres of wine increased by 3.4% over the 2008/09 fiscal year, compared to just 0.5% for beer. Unlike beer, domestic and imported wines are relatively equal in popularity, though sales of imported wines (+9.3%) increased substantially in 2008/09, whereas sales of domestic wines were off (-1.9%).

  *Data Source: BC Liquor Distribution Branch*

## Gas consumption

- **Gross sales of gasoline fell 2.7% in BC last year, the largest decrease in the country.** Nationally, gasoline sales declined 0.7% to 40.6 billion litres in 2008, marking the first drop in fuel consumption since 2005. According to the Canadian Vehicle Survey, the slowdown in fuel sales in Canada coincided with a 2.0% decline in distance travelled by drivers of motor vehicles. *Data Source: Statistics Canada*

## The Nation

- **The Canadian economy continued to lose ground in May, with real GDP falling 0.5% (*seasonally adjusted*).** This marked the tenth straight month in which the Canadian economy has contracted. The decline was the biggest since January, when the economy contracted 0.6%.

  Goods producing industries fell back 1.6% in May, as manufacturing (-1.6%), construction (-0.7%) and other industries in the sector posted declines. Mining, oil & gas extraction (-2.8%) was hardest hit. GDP in the service sector was virtually unchanged, marking the third straight month in which the sector has remained in the doldrums. Retail trade (+0.6%) and finance, insurance & real estate (+0.4%) were the only industries to make any significant gains. *Data Source: Statistics Canada*

- **Canadian manufacturers' selling prices were 5.4% lower this June than in the same month last year.** The increase was mostly attributable to falling prices for petroleum & coal (-36.5%) products. Prices for lumber (-1.6%), fruit, vegetables, feeds & other food products (-1.8%), chemicals (-5.5%) and primary metal products (-15.5%) were also lower than in June of 2008. However, decreases were tempered by higher prices for motor vehicles & other transport equipment (+8.2%), machinery & equipment (+5.2%) and electrical & communications products (+4.9%).

  BC producers of softwood lumber products received slightly less (-0.8%) for their lumber than they had a year earlier. Prices for Interior lumber (-9.6%) were significantly lower, but markedly higher for Coastal lumber (+3.6%).

  The cost of raw materials plummeted 30.7% in June. The acute decline was due mostly to a 44.1% slide in prices for mineral oils. Indeed, if mineral fuels were excluded, prices for raw materials would have declined at a much slower pace (-9.3%). *Data Source: Statistics Canada*



For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

Contact: Dan Schrier
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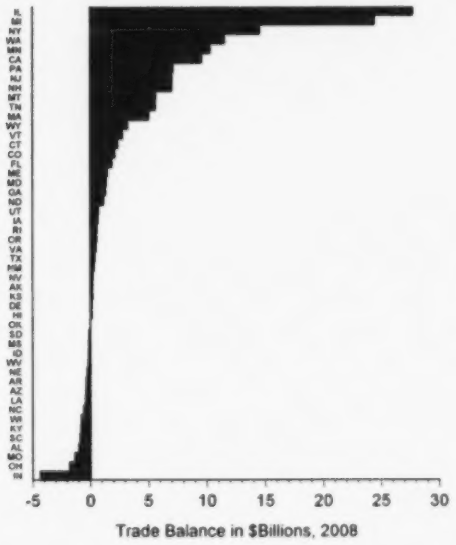
originally published in
*Exports* Issue 09-04

# The State of Canada's Trade with the USA

The United States remains Canada's most significant commodity trade partner by far, despite a reduction in the share of Canadian exports shipped to the US in recent years. Two-way commodity trade between Canada and the United States amounted to over $602 billion in 2008. Of this figure, over $375 billion were exports from Canada to the US (including re-exports of about $22 billion), such that Canada had a trade surplus with the United States of over $148 billion. The surplus alone is more than 11 times the value of shipments to the next highest ranked export destination. Canada shipped 77.6% of its domestic commodity exports to the United States in 2008.

Canada has a trade surplus with most US states




Source: Statistics Canada

In all, Canada had a trade surplus with 34 states in 2008, the largest of which was with Illinois, at almost $28 billion. The largest surplus as a percentage of two-way trade was with New Hampshire as Canadian exports comprised 85% of trade with that state.

The United States is also the top market for British Columbia origin exports, although not nearly to the extent of Canada as a whole. In 2008, 53.1% of BC's commodity exports were shipped to the United States.

Given the obvious importance of the US as a trade partner for both BC and Canada as a whole, any sign of protectionism creeping into US policy is of concern. Unfortunately, there have been a number of such signals from the United States that have the potential to harm Canadian exporters. The most significant of these is probably the "Buy American" provisions contained in the stimulus package designed to kick-start the economy. These provisions require American companies to use only supply materials made in the United States for projects receiving money from the stimulus package. Although the legislation was softened when a clause was added to the bill making it clear that existing trade obligations would be honoured, there have been several instances where Canadian goods have been rejected, including one case where pipe fittings made in Canada were taken out of the ground and replaced with ones made in the US.

Another issue that is raising the ire of Canadians is the so-called "black liquor" subsidy to US pulp mills. Black liquor is a biofuel that is made from the waste products of the pulping process. The United States offers tax credits to companies that mix alternative fuels with fossil fuels, but for pulp companies to qualify for this credit for using black liquor, they need to add fossil fuels into the pure biofuel, which is essentially the reverse of what the tax incentives were designed to do. Some argue that these tax credits are creating an unfair advantage for US pulp producers and Canada, the Euro-

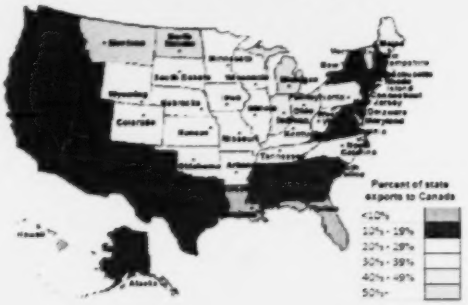
pean Union, Brazil and Chile have formally complained to the US Congress, making it clear that they consider such credits a subsidy that could be subject to countervailing duty investigations or World Trade Organization actions.

In addition to "Buy American" legislation and black liquor subsidies, other protectionist measures include country-of-origin labelling and new duties on softwood lumber from provinces that selected the option to operate under a quota system (British Columbia is not affected because the province agreed to pay higher duties, rather than be restricted to a quota). On top of all that, the US is implementing new, restrictive border measures in the name of security that could have an effect on trade.

It is not uncommon that in times of economic malaise governments instinctually move toward protectionist policies. The problem with these types of measures is that they will harm the economies of trade partners, which will in turn lead to fewer imports of domestically-produced goods by these countries. The world's economy is significantly interconnected and an action that harms one country could affect all countries. In other words, the measures that the United States and other countries are taking to protect their domestic industries could actually end up doing them more harm than good in the long term.

Although Canada has a substantial commodity trade surplus with the United States, it is still by far the top destination for American exports. In fact, in 2008, Canada was the number one destination for exports from 35 states and ranked number two for shipments from another ten states[1]. For 25 states, more than a fifth of state exports were shipped to Canada. Three border states—Michigan (53%), North Dakota (51%) and Montana (50%)—shipped at least half their merchandise exports to Canada. These statistics indicate that a large number of US states stand to lose significant business if Canada's economy struggles due to American protectionist activity.

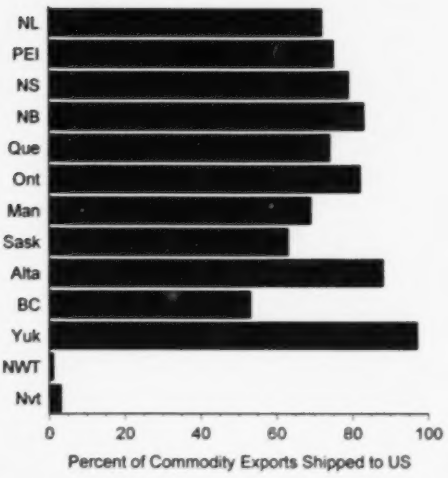
States in the north and central portions of the US tend to be more dependent on Canada as a market for commodity exports




The stakes are even higher for Canada. With the exception of the Northwest Territories and Nunavut, all the remaining regions in the country shipped more than half their exported goods to the United States in 2008, and for most of the provinces it was well over half (Europe was the primary destination for goods originating in the Northwest Territories and Nunavut). For most provinces, close to three-quarters of their goods exports were destined for the United States.

[1] Source: US Census Bureau, origin of movement series.

The United States received the bulk of Canadian merchandise exports in 2008

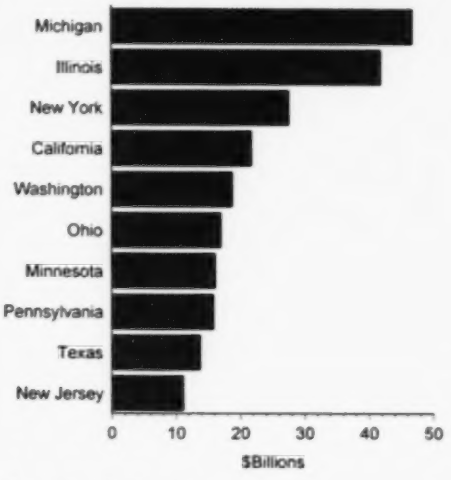



Source: Statistics Canada

Michigan, the state that was most dependent on Canada as a destination for its exports, was also the top destination for Canadian exports. The bulk of these exports originated in Ontario and most of these were automobiles and automobile parts. Similarly, automobiles and parts constituted a substantial portion of the goods shipped from Michigan to Canada. The Canadian and US automobile manufacturing industries are highly integrated and parts are regularly shipped back and forth across the border. Different plants produce different makes of vehicles, which is why there are substantial exports and imports of completed vehicles as well.

Illinois ranked second as a destination for Canadian goods exports in 2008, with Alberta being the source of almost two-thirds of the value of merchandise shipped to that state. The bulk of exports to Illinois from Alberta was comprised of crude petroleum and, to a lesser extent, natural gas.

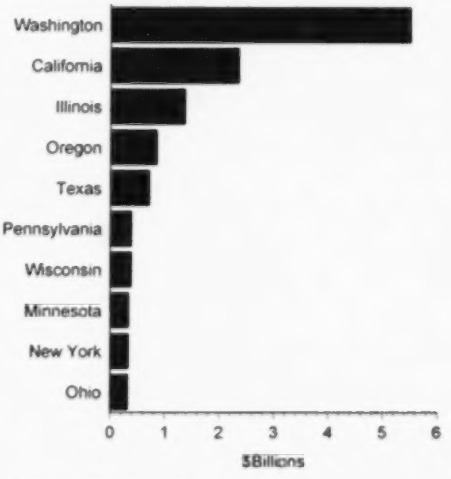
Top Ten Destination States for Canadian Exports




Source: Statistics Canada

Michigan was not a particularly significant destination for exports from BC and although Illinois was the third largest US market for BC commodity exports in 2008, it ranked well behind Washington and California.

Top Ten Destination States for BC Origin Exports




Source: Statistics Canada

About 31% of BC's exports to the United States were shipped to Washington State and another 13% were destined for California. A further 8% were shipped to Illinois such that these three states received over half of BC's exports to the United States.

Natural gas was the top BC export to Washington, comprising almost 43% of BC's exports to that state. Electricity (3%) was the second most significant commodity export from BC to Washington; however, it was the top export to California, representing just under 14% of BC's exports to that state. Energy products were also at the top of the list for commodity exports to Illinois, led by natural gas (58% of BC's exports to that state) and crude petroleum (8%).

It is not surprising that Washington is the top destination for BC exports, given that the state borders British Columbia. For most provinces that share a border with the United States, the top US market for those provinces' exports tends to be a border state. The most notable exception is Alberta, for which Illinois is the leading destination for exported goods. New Brunswick is another exception as it exports far more goods to New Hampshire, one state removed from Maine, the state that borders the province. For all other provinces, the top export market is a border state.

Given the substantial volume of two-way trade between Canada and the United States and the importance of this trade not only to Canadian provinces, but also to most American states, any measures that would disrupt that trade are clearly a threat to the economic well-being of both countries. It is understandable that in times of crisis nations will try to look after their own, but to do so at the expense of trade partners is self-defeating, analogous to bailing water from one side of a sinking boat to another.

For most provinces bordering the US, the top US market for exports is a border state

| Province | Top US Market for Exports | % of Province's Exports |
|---|---|---|
| British Columbia | Washington | 17% |
| Alberta | Illinois | 24% |
| Saskatchewan | Illinois / Montana (tie) | 10% |
| Manitoba | Minnesota | 12% |
| Ontario | Michigan | 23% |
| Quebec | New York | 9% |
| New Brunswick | New Hampshire | 44% |
| Nova Scotia | Massachusetts | 30% |
| Prince Edward Island | Massachusetts | 15% |
| Newfoundland and Labrador | New Jersey | 32% |
| Yukon | Alaska | 96% |
| Northwest Territories | New York | 1% |
| Nunavut | Massachusetts | 0.3% |

As such, many argue that the best long-term action for Canada is to continue to pressure the United States to abandon its protectionist policies and to resist implementing its own.

## *Statistics Canada's Survey Skills Workshops*

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# Developing Satisfaction Surveys

This workshop teaches the fundamentals of designing and implementing an effective satisfaction survey. The course material will assist researchers in producing respondent friendly questionnaires that result in useful and accurate survey data. The course will also help to provide an understanding of the importance of client and employee satisfaction in strategic decision making and business planning. The unique aspects of this type of survey enable you to determine your client's service expectations and their perceptions of your organizations performance.

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**September 16-17, 2009**
**8:30 am - 4:30 pm**

**TBA**
**Victoria, BC**

### Workshop Topics include:

**Survey Planning**

- Performance measures
- Client satisfaction vs. employee satisfaction
- Fundamentals of collecting data and maximizing response

**Questionnaires**

- Question structure; open and closed questions
- Rating scales
- Questionnaire design; wording, sequencing and layout

**Sampling Methods**

- Probability vs. non-probability sampling
- Sample types and exit surveys
- The factors affecting sample size

**Processing and Analysis**

- The "drivers" of satisfaction
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**Register early as space is limited**

Fee is $550 + GST

*Early registration: $499 + GST (at least 3 weeks prior)*

**Learn from the Survey Experts!!**

## REGISTRATION

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Organization: _____

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Visa__ M/C__ Amex__ Cheque__ Amount $ (incl. GST):_____

Card No: _____

Cardholder: _____ Expiry Date: _____

Signature: _____

Fed Gov Dept#: _____ Org#: _____ Ref#: _____

**For more information, please contact:**
Fanita Tjiong
604-666-1792

**To register, please return form to:**
Workshop Registrar
Statistics Canada
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Vancouver, BC, V6B 6C7
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## *Statistics Canada's Survey Skills Workshops*

***Call for our workshop calendar!***

# Understanding Demographic Data

Join us for a one day workshop on demographic data. This workshop will enhance your ability to understand and interpret demographic data, methods and techniques. This workshop is ideal for market researchers, policy analysts, business professionals, planners and other social scientists who use or commission demographic data.

As a result of your participation, you will be able to more effectively and accurately analyze demographic data. In addition, the workshops will increase your awareness of the availability of population data and current research techniques being used.

The workshop will include discussions on:

- Population growth – births, deaths and migration
- Population pyramids – rates and ratios
- Population estimates
- Population projections

**VICTORIA**

**September 18, 2009**
**8:30 a.m.—4:30 p.m.**

**TBA**
**Victoria, BC**

**Register early as space is limited**
Fee is $300+ GST
*Early registration: $275 + GST (at least 3 weeks prior)*

**Learn from the Survey Experts!!**

## REGISTRATION

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Fanita Tjiong
604-666-1792

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# Infoline

July 31, 2009
Issue 09–30

Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca or choose RSS


## BC at a glance . . .

| POPULATION (thousands) | Apr 1/2009 | % change on one year ago |
|---|---|---|
| BC | 4,435.3 | 1.7 |
| Canada | 33,592.7 | 1.2 |
| **GDP and INCOME (Revised Apr 27)** | | |
| *(BC - at market prices)* | 2008 | % change on one year ago |
| Gross Domestic Product (GDP) *($ millions)* | 199,214 | 3.5 |
| GDP *($ 2002 millions)* | 164,161 | -0.3 |
| GDP *($ 2002 per Capita) (reflects revised pop)* | 37,466 | -1.9 |
| Personal Disposable Income *($ 2002 per Capita)* | 26,110 | 3.3 |
| **TRADE ($ millions, seasonally adjusted)** | | % change on prev. month |
| Manufacturing Shipments - May | 2,602 | -3.8 |
| Merchandise Exports - May | 1,968 | -5.7 |
| Retail Sales - May | 4,399 | 0.8 |
| **CONSUMER PRICE INDEX** | % change on one year ago | 12-month avg % change |
| *(all items - Jun 2009)* | | |
| BC | -0.7 | 1.6 |
| Vancouver | -0.5 | 1.8 |
| Victoria | -0.4 | 1.6 |
| Canada | -0.3 | 1.7 |
| **LABOUR FORCE (thousands)** | | % change on prev. month |
| *(seasonally adjusted)* | Jun '09 | |
| Labour Force - BC | 2,454 | 0.4 |
| Employed - BC | 2,255 | -0.2 |
| Unemployed - BC | 199 | 7.8 |
| | | May '09 |
| Unemployment Rate - BC *(percent)* | 8.1 | 7.6 |
| Unemployment Rate - Canada *(percent)* | 8.6 | 8.4 |
| **INTEREST RATES (percent)** | Jul 29/2009 | Jul 30/2008 |
| Prime Business Rate | 2.25 | 4.75 |
| Conventional Mortgages - 1 year | 3.75 | 6.95 |
| - 5 year | 5.85 | 7.15 |
| **US-CANADA EXCHANGE RATE** | Jul 29/2009 | Jul 30/2008 |
| *(avg. noon spot rate)* Cdn $ per US $ | 1.0889 | 1.0242 |
| *(closing rate)* US $ per Cdn $ | 0.9168 | 0.9777 |
| **AVERAGE WEEKLY WAGE RATE** | | % change on one year ago |
| *(industrial aggregate - dollars)* | Jun '09 | |
| BC | 793.27 | 1.3 |
| Canada | 801.21 | 2.5 |

**SOURCES:**

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

### Labour Market Outcomes of Young British Columbians

The youth of today represent British Columbia's labour market future. Looking at how they engage in the labour market today provides a window to show how they will participate as adults. Labour Market Outcomes of Young British Columbians: Evidence from the 2006 Census provides a snapshot of young British Columbians (ages 15-29) that links their characteristics, such as education levels, fields of study, and gender, to their labour market outcomes.

www.bcstats.gov.bc.ca/data/lss/lmi/lmoyoung.pdf

### Statistical Profiles of Aboriginal Peoples

These profiles provide comparisons of the socio-economic conditions of the Aboriginal populations as well as profiles of Aboriginal groups such as First Nations, Métis, and Status Indians using data available from the 2006 Census. These profiles provide a range of data with particular focus on education and labour market issues.

www.bcstats.gov.bc.ca/data/cen01/abor/ap_main.asp

### Socio-Economic Profiles

Revisions for 2008 now available. The profiles consist of charts and tables for the 26 Regional Districts, 86 Local Health Areas, 16 Health Service Delivery Areas, 5 Health Authorities, 8 Development Regions, and 15 College Regions within the Province of British Columbia. Also included are the special geographies of the Georgia, Fraser, and Columbia Basins.

www.bcstats.gov.bc.ca/data/sep/choose.asp

**Released this week by BC Stats**

- Current Statistics, July 2009

**Next week**

- Business Indicators, July 2009
- Tourism Sector Monitor, July 2009
- Labour Force Statistics, July 2009
- Earnings & Employment Trends, July 2009


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